



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

July 17, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant and Demonstration Announcements

Adult Medicaid Quality Grants Measuring and Improving the Quality of Care in Medicaid, \$2701. Announced July 13, 2012. Funding is available to support states in developing their capacity for standardized collection and reporting of data on the quality of health care provided to adults covered by Medicaid. State Medicaid agencies are eligible to apply. This funding opportunity will focus on the Initial Core Set of Measures published in the [Federal Register Notice](#) on January 4, 2012. Applicants are expected to test and evaluate methods for collecting and reporting these data in various delivery care settings; to develop staff capacity for reporting, analyzing and using the data for monitoring and improving access and quality of care in Medicaid; and to conduct at least two Medicaid quality improvement projects related to the Initial Core Set Measures. \$112M in 56 awards is available. Applications are due August 31, 2012.

The announcement can be viewed at: [Grants.gov](#)

Grant Activity

July 11, 2012 the Executive Office of Elder Affairs submitted an application to CMS/ the Administration for Community Living for an Aging and Disability Resource Centers (ADRC) Sustainability Program Expansion Supplemental Opportunity grant

under §2405 of the ACA. Funding is available for current ADRC grantees to pursue and develop sustainability strategies for their ADRC Options Counseling Program. The purpose of this grant is to strengthen the capacity of the current ADRC program to serve people of all ages, disabilities and incomes.

If awarded, Elder Affairs will use the funds to broaden the scope of consumers accessing services through the ADRCs' "no wrong door" approach. Elder Affairs will also reach out to state and regional agencies serving veterans and people with developmental disabilities and mental health issues in order to educate these populations about the availability of Options Counseling and other services available through the ADRCs. Additionally, Elder Affairs and Massachusetts Rehabilitation Commission (MRC) will enhance the financial sustainability of the ADRCs by working with the Massachusetts Department of Veterans Affairs, local Veterans Health Administration facilities, and the Massachusetts Office of Medicaid to increase referrals to the ADRCs for reimbursable services.

The project narrative can be viewed on our website under the Grants and Demonstrations section at: <http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/120711-sec-2405-adrc.pdf>

Guidance

7/12/12 IRS/Treasury published two technical corrections in the Federal Register regarding the Health Insurance Premium Tax Credit final regulations that were published in the Federal Register on Wednesday, May 23, 2012. The corrections are effective on July 12, 2012 and are applicable May 23, 2012.

The final regulations (§1402, §1411, §1412) amend the Income Tax Regulations to implement the health insurance premium tax credit provisions of the ACA. The final regulations provide guidance to individuals and families who enroll in Qualified Health Plans (QHPs) through Affordable Insurance Exchanges (exchanges) and use the premium tax credit to help purchase that health insurance, and to exchanges that make qualified health plans available to individuals and employers. The premium tax credits help defray insurance costs and make it easier for middle-income people to purchase affordable health insurance starting in 2014 when health plans will be available through Exchanges. To be eligible to receive the premium tax credit, individuals and families must have incomes between 100%- 400 % FPL and be enrolled in a QHP through an exchange. The individual must also be ineligible for employer or other government sponsored insurance. The amount of the premium tax credit is tied to the amount of the premium. The expected contribution is a specified percentage of the taxpayer's household income. The percentage increases as income increases, from 2% of income for families at 100% FPL to 9.5% of income for families at 400% FPL.

Read the corrections at: <http://www.gpo.gov/fdsys/pkg/FR-2012-07-12/pdf/2012-16986.pdf> and <http://www.gpo.gov/fdsys/pkg/FR-2012-07-12/pdf/2012-16985.pdf>

Read the final Health Insurance Premium Tax Credit regulations at: <http://www.gpo.gov/fdsys/pkg/FR-2012-05-23/pdf/2012-12421.pdf>

7/13/12 IRS/Treasury published an additional technical correction in the Federal Register regarding the Health Insurance Premium Tax Credit final regulations that were published in the Federal Register on Wednesday, May 23, 2012.

Read the correction at: <http://www.gpo.gov/fdsys/pkg/FR-2012-07-13/pdf/C1-2012-12421.pdf>

7/13/12 CMS published a proposed ACA-related regulation called "Medicare

Program; Home Health Prospective Payment System Rate Update for Calendar Year 2013, Hospice Quality Reporting Requirements, and Survey and Enforcement Requirements for Home Health Agencies." The proposed rule implements portions of ACA §3131 and §3401.

This proposed rule would update the Home Health Prospective Payment System (HH PPS) rates, including the national standardized 60-day episode rates, the national per-visit rates, the low-utilization payment amount, and outlier payments under the Medicare prospective payment system for home health agencies effective January 1, 2013. In the rule, CMS proposes to reduce Medicare payments to home health agencies in calendar year (CY) 2013 by 0.1%, or \$20 million. Provisions of the ACA apply a 1% reduction to the 2.5% increase in CY 2013 home health market basket, resulting in a 1.5% increase for home health agencies next year.

The proposed rule promotes quality of care for patients and proposes requirements for the Hospice quality data reporting program. The rule ensures that home health agencies that are out of compliance with federal health and safety standards could correct their performance and achieve prompt compliance. The rule would provide agencies with the opportunity to achieve compliance through new methods, such as directed plans of correction or directed in-service training. It would also permit CMS to impose alternative sanctions in addition to termination for agencies that do not maintain or achieve compliance with federal health and safety standards.

The rule would also establish new survey and certification requirements for home health agencies including definitions for types of surveys, survey frequency, surveyor qualifications, and the opportunity for Informal Dispute Resolution. The rule proposes to extend certain requirements concerning the hospice quality reporting program to subsequent years. This proposed rule would also establish requirements for unannounced, standard and extended surveys of home health agencies (HHAs) and provide a number of alternative (or intermediate) sanctions that could be imposed if HHAs were out of compliance with Federal requirements. Comments are due September 4, 2012.

Read the press release at: [CMS](#)

Read the regulation at: <http://www.gpo.gov/fdsys/pkg/FR-2012-07-13/pdf/2012-16836.pdf>

Prior guidance can be viewed at: www.healthcare.gov

News

7/13/12 CMS announced that one new Consumer Oriented and Operated Plan (CO-OP) repayable loan will be awarded to a non-profit entity to help establish private non-profit, consumer-governed health insurance companies that offer qualified health plans in the health insurance exchanges. Established under §1322 of the ACA, the goal of CO-OP program is to create a new CO-OP in every state in order to expand the number of exchange health plans with a focus on integrated care and plan accountability.

The non-profit receiving a loan is: **Aarches Community Health Care**, a CO-OP that received a \$85,400,303 loan to participate in the individual and small group market Exchanges with the mission of transforming the nature of insurance payments and benefits to promote high-quality, patient-centered, integrated, and value-based care in Utah. Aarches Community Health Care is supported by the Association of Utah Community Health, the Salt Lake City Chamber, and the Utah Health Policy Project.

Starting in 2014, CO-OPs will be able to offer plans both inside and outside of health insurance exchanges and will operate in 17 states, including: Utah, Kentucky, Vermont, Arizona,

Connecticut, Michigan, Nevada, Maine, South Carolina, Oregon, New Mexico, Montana, Iowa, Nebraska, Wisconsin, New Jersey, and New York. CMS awarded the first round of CO-OP loans on February 21, 2012. To date, a total \$1,329,655,940 has been awarded. CMS will continue to review applications on a quarterly schedule through December 31, 2012 and announce additional awardees on a rolling basis. According to CMS, CO-OP loans are only made to private, nonprofit entities that demonstrate a high probability of financial viability.

For more information, including a list of previous CO-OP loans awarded, visit:
<http://www.healthcare.gov/news/factsheets/2012/02/coops02212012a.html>

EOHHS News

Request for Responses from Integrated Care Organizations

On June 19, the Executive Office of Health and Human Services (EOHHS) issued a Request for Responses (RFR) to solicit proposals from Integrated Care Organizations (ICOs) to participate in the Duals Demonstration program. The purpose of this Demonstration is to improve quality of care and reduce health disparities, improve health and functional outcomes, and contain costs for dual eligibles. Under this program the selected ICOs will be accountable for the delivery and management of all covered medical, behavioral health, and long-term services and supports for their enrollees. The RFR and related appendices are posted at:

www.mass.gov/masshealth/duals and on the state procurement website Comm-PASS (www.comm-pass.com) under the Document Number 12CBEHSDUALSICORFR.

Responses to the RFR will be due to EOHHS by 4:00 PM (EDT), July 30, 2012.

Read more at: <http://www.mass.gov/eohhs/gov/newsroom/press-releases/eohhs/health-care-cost-containment-measure-to-serve-111000.html>

Request for Responses for Consumer Consultants

On June 19, MassHealth issued a Request for Responses (RFR) from Integrated Care Organizations (ICOs) to participate in the Demonstration. EOHHS is issuing a separate RFR seeking the advice of up to six MassHealth members who are Consumers of medical services, behavioral health services and/or LTSS ("Consumer Consultants"). The selected Consumer Consultants will form a paid advisory subcommittee that shares its thoughts and expertise with EOHHS throughout the process of reviewing and evaluating the RFR responses that EOHHS receives from organizations seeking to be ICOs.

Details about the qualifications, responsibilities, and requirements for Consumer Consultants are provided in the RFR, along with information on how individuals can submit responses. Individuals who are interested in serving as Consumer Consultants are asked to submit a short written statement, two references, and some other information to EOHHS. **The deadline for responses is July 20, 2012 at 4 PM.** The RFR is available on the state procurement website Comm-PASS (www.comm-pass.com) as Document Number 13CBEHSCONSUMERCONSULTANTRFR and at <http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/state-fed-comm/120705-duals-consumer-consultant.pdf> on the Integrating Medicare and Medicaid for Dual Eligibles website under Related Information.

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals Open Meeting

July 27, 2012, 10:00 AM - 12:00 PM

State Transportation Building, Conference Rooms 1, 2, & 3, Second Floor, 10 Park Plaza,
Boston, MA

The purpose of this meeting will be to give an update on the Demonstration, and to focus on
consumer issues.

Reasonable accommodations will be made for participants who need assistance. Please send
your request for accommodations to Donna Kymalainen at Donna.Kymalainen@state.ma.us

Bookmark the **Massachusetts National Health Care Reform website**
at: [http://mass.gov/national health reform](http://mass.gov/national%20health%20reform) to read updates on ACA implementation in
Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating
Medicare and Medicaid for Dual Eligible Individuals"** initiative.